

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

**LIBERTY MUTUAL INSURANCE COMPANY AND
AFFILIATES**

175 Berkeley Street

Boston, MA 02117

MARKET CONDUCT EXAMINATION

APRIL 15, 1998- JANUARY 15, 1999

Seattle Washington

February 1, 2000

Honorable Deborah Senn
Office of the Insurance Commissioner
Olympia, Washington 98504

Pursuant to your instructions and in compliance with the laws of the State of Washington, and procedures promulgated by the National Association of Insurance Commissioners, and the Office of the Insurance Commissioner (OIC), a market conduct examination has been made of the

Liberty Mutual Insurance Company and affiliates

175 Berkeley Street

Boston, Massachusetts 02117

and this report of examination is respectfully submitted.

This was the first exam of the companies. This examination was a full scope exam reviewing commercial lines and personal lines activities for Washington insureds between April 15, 1998 and January 15, 1999 except where noted in the report. The examination included a review of the following areas:

Advertising	Agent Licensing
Complaints	Underwriting
New and renewal policies	Non-renewal, cancellation and declined to write
Forms and rates	Claims settlement practices

The examination was performed in the regional offices in Fresno, CA, Hillsboro, OR, Phoenix, AZ and Portland, OR.

TABLE OF CONTENTS

PAGE	
2	Salutation
3	Table of Contents
4	Examination Certification
5	History, Operations and Management
6	Advertising
7	Agent Licensing
8	Complaints
9	Underwriting
	New and renewed policies
	Rates and forms
	Non-renewal, cancellations and declined to write

13	Claims Settlement Practices
15	Instructions and Recommendations
17	Appendices

EXAMINATION REPORT CERTIFICATION

This examination was conducted in accordance with Office of the Insurance Commissioner and National Association of Insurance Commissioners' market conduct examination procedures. The examination was performed by Sally Anne Carpenter and Shirley M. Merrill, who also participated in the preparation of this report.

I certify that the foregoing is the report of the examination, that I have reviewed this report in conjunction with pertinent examination work papers, that this report meets the provisions for such reports prescribed by the Office of the Insurance Commissioner, and that this report is true and correct to the best of my knowledge and belief.

Pamela Martin

Chief Market Conduct Examiner

Office of the Insurance Commissioner

State of Washington

HISTORY, OPERATIONS, AND MANAGEMENT

Liberty Mutual Insurance Companies, whose principal company is Liberty Mutual Insurance Company, are primarily engaged in domestic property, casualty, life and health insurance. The companies also market international property and casualty insurance, loss control and financial services.

Liberty Mutual's property casualty business is marketed in all 50 states through 37 insurers by both a direct agency force and independent agents. According to Best's

Insurance Reports 1999, the domestic property casualty business is split with approximately 65% in commercial lines and 35% in personal lines.

Liberty Mutual Insurance Company was organized in 1912 in Boston, Massachusetts. The company's primary business was workers' compensation. Since that time the company has grown into one of the largest property casualty companies in the country and is ranked number 124 in the Fortune 500 industrial/service corporations. Workers' compensation represents about 1/3 of the company's direct writing.

The companies licensed to do business in Washington are:

Liberty Mutual Insurance Company
LM Insurance Corporation
Liberty Insurance Corporation

Liberty Mutual Fire Insurance Company
The First Liberty Insurance Corporation

The companies are under the direction of Gary L. Countryman, Chairman of the Board, and Edmund F. Kelly, President and Chief Executive Officer.

ADVERTISING

Seventeen advertising brochures currently in use by the companies were examined to determine compliance with Washington insurance laws. Ten of the brochures were designed to educate insureds on ways to prevent vehicle theft, safe driving habits, and other loss prevention. Seven were designed to advertise various products offered by the companies.

RCW 48.30.050 requires every advertisement on behalf of an insurer to disclose the full name of the insurer and the location of its home office.

- All 17 pieces of advertising reviewed were in violation because they did not identify the home office or principal location, or because they did not identify the full name of the company. It is noted that in two of these brochures the company listed the full name and location of its home office in the section of the brochure about life insurance for mortgage protection, however only listed Liberty Mutual or Liberty Mutual Group in the section about homeowner's coverage. (See Appendix 1 for detail.)

AGENT LICENSING AND APPOINTMENTS

Policy records selected for the new and renewal underwriting sample were used for the agent-licensing sample. The examiners compared the agent listed on the policy with the Office of the Insurance Commissioner's (OIC) records to ensure that agents soliciting business for the companies were licensed and appointed pursuant to the requirements of RCW 48.17.060 and RCW 48.17.160.

RCW 48.17.060(1) "No person shall in this state act as or hold himself out to be an agent, broker, solicitor, or adjuster unless then licensed therefor by this state."

RCW 48.17.160(1) "Each insurer on appointing an agent in this state shall file written notice thereof with the commissioner on forms as prescribed by the commissioner, and shall pay the filing fee therefor as provided in RCW 48.14.010...."

5 sales representatives were identified as having solicited policies in Washington without the appropriate license. (See Appendix 2 for detail.)

- 1 personal lines sales representative licensed in Washington only for Life and Health sold 4 property/ casualty policies.
- 4 commercial lines sales representatives not licensed in Washington sold 6 Washington policies.

COMPLAINTS

The purpose of this section of the examination was to review the companies' complaint handling procedures and compliance to WAC 284-30-650 that requires the companies to respond to inquiries from the Insurance Commissioner's office within 15 working days from the receipt of the inquiry. The complaints were also reviewed for possible adverse trends in claim handling or underwriting.

The companies had written complaint procedures. The companies received 72 complaints between January 1, 1996 – January 1999 from Washington. From these files the examiners chose 19 underwriting complaints and 20 claims complaints to review.

Our findings are as follows:

RCW 48.05.190 requires insurers to do business in their own legal name.

- 6 of the 19 underwriting complaint files contained 11 responses to the Insurance Commissioner's Office or other correspondence that did not identify the specific insurer. (See Appendix 3 for detail.)

Responses were timely. No other adverse trends were noted.

UNDERWRITING AND RATING

The examiners selected 50 of 264 commercial policies and 236 of 20,801 personal lines new and renewed policies issued during the exam period.

Files were reviewed to determine if:

The companies were following their filed rating plans

The companies were utilizing their underwriting rules consistently

The companies were in compliance with Washington laws

The examiners also manually rated policies to determine if there were any programmed errors in the companies' computer system and if the companies were using their filed and approved rates and forms.

Our findings are as follows:

RCW 48.05.190(1) requires insurers to conduct business in their own legal name.

- The examiners found that the Declaration page of the personal yacht policy was issued without identifying the name of the insuring company. This form was used for many years. They could not produce evidence of filing due to its age. The examiners instructed to company to re-issue the Declaration page on the policies in force. 63 violations were identified. (See Appendix 3 for detail.)
- The examiners found one letter that did not identify the insuring company. (See Appendix 3 for detail.)

Subsequent event: The company corrected the programming error during the examination and reissued a corrected Declarations page to the affected insureds.

Subsequent event: During the 3rd quarter of 1998, prior to the market conduct exam, the personal lines underwriting department began a project to revise all forms used in Washington to comply with this regulation including applications, coverage forms, ID cards, and certificates of insurance.

RCW 48.22.085(2) requires personal automobile insurance policies to include Personal Injury Protection coverage unless rejected by the insured in writing.

- Three policies did not contain Personal Injury Protection coverage although no signed rejection was on file. The examiners returned these to the company to add the coverage or obtain the signature from the insured waiving coverage. (See Appendix 5 for detail.)

RATES AND FORMS

A review of policy forms, endorsements and rate filings was conducted from the new and renewed policies sample to determine if the companies were in compliance with Washington laws and regulations.

The companies are members of Insurance Services Office (ISO) and the Washington Surveying and Rating Bureau (WS&RB). As members, the companies have given these organizations authority to file rates, forms and endorsements on their behalf.

Our findings are as follows:

Due to a programming error six auto policies were issued with outdated ISO endorsements. This included one Washington policy and five other policies with Washington exposures requiring state specific forms. The endorsements were Washington Change Form, CA 01350994 and Underinsured Motorists Form, CA 21340597.

Subsequent event: All policies were corrected after the examiners brought the error to the companies attention.

RCW 48.18.100(1) " No insurance policy form, ... shall be attached to the policy... unless it has been filed and approved by the commissioner. This section shall not apply to policies, riders or endorsements of unique character designed for and used with relation to insurance upon a particular subject."

- The companies acknowledged that nine endorsements that were not filed and approved for use in Washington were used sporadically on 30 separate commercial lines policies, resulting in 62 instances of such use.

Notice of Cancellation #2319

Notice of Cancellation #2601A

Notice of Occurrence #2610A

Amendatory Endorsement #2610A

Fellow Employee Exclusion #2610A

Unintentional Errors or Omissions 2601A

Medical Payments #102

Designated Locations General Aggregate Limit

Amendatory Endorsement # 102

(See Appendix 4 for detail.)

Subsequent event: The endorsements on in-force policies have been converted to approved ISO forms.

-
- The companies acknowledged that two files contained policy cancellation language that did not meet the notification requirements in their filing. (See Appendix 4 for detail.)

Subsequent event: The company has corrected the policy language by endorsement.

RCW 48.18.230(1) "...No binder shall be valid beyond the issuance of the policy as to which it was given, or beyond ninety days from its effective date, whichever period is the shorter."

- One policy contained a binder issued for one year. (See Appendix 5 for detail.)

CANCELLATION AND NON-RENEWALS AND DECLINED TO WRITE

The examiners selected 152 policy records from a population of 2313 personal policies for the examination. These policies were cancelled, non-renewed or declined during the exam period. Due to the small number of commercial policies written in Washington a separate sample was not selected. Every policy in the new and renewal commercial sample (page 9 of this report) that was cancelled or non-renewed during the exam period was examined.

The 152 files were reviewed to determine if the companies were in compliance with state laws governing cancellations and non-renewals.

WAC 284-30-570 " Whenever an insurer is required by law to give the reason for canceling, denying or refusing to renew insurance, as for example, pursuant to RCW 48.18.291, 48.18.292, or 48.30.320, it shall give the true and actual reason for its action in clear and simple language, so that the insured or applicant need not resort to additional research to understand the real reason for the action."

- 2 files were identified which contained notices of non-renewal or cancellation in violation of this regulation. (See Appendix 5 for detail.)

RCW 46.52.130 does not permit the use of not at fault accidents as a basis for non-renewal, denial, or a rate increase.

- 6 violations were identified. The files contained notices that identified not at fault accidents for the underwriting decision. (See Appendix 5 for detail.)

CLAIMS

The companies handle commercial claims from a regional office in Portland, Oregon and personal claims from Hillsboro, Oregon. The companies also have resident adjusters in Seattle to handle the most serious losses.

Examiners selected 352 personal claims from a population of 6929 claims closed during the exam period to review. The examiners selected 165 commercial claims from the population of 1965 claims closed during the examination period to review. The files were examined for compliance with laws regarding fair claims practices, total loss settlement practices, salvage disposal, and handling of subrogation.

Eleven files were identified with clerical errors in claim settlements or deductibles that had not been reimbursed after successful subrogation. These files were returned to the companies for correction resulting in additional payments totaling \$4318.45 to 11 insureds. (See Appendix 7 for detail.)

Our findings were as follows:

RCW 48.05.190(1) requires insurers to do business in their own legal name.

- The companies acknowledged that claim checks issued in the personal lines claims department during the exam period were issued on generic Liberty Mutual check stock. The checks did not identify the insuring company.
- 22 letters in the commercial or personal claims files did not identify the insuring company. (See Appendix 3 for detail.)

Subsequent event: The company has indicated that the name of the issuing carrier will be added to the data fields on the Explanation of Payment portion of the checks.

Correspondence generated in the automated claims processing area will add a line in the signature block identifying the correct insuring company. Free form correspondence will also use a line in the signature block for company identification.

WAC 284-30-330(2) or (16) "The following are hereby defined as unfair methods of competition and unfair or deceptive acts or practices in the business of insurance. (2) Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies. (16) Failing to adopt and implement reasonable standards for the processing and payment of claims once the obligation to pay has been established."

-
- One file contained a letter from the husband of a claimant. The company did not respond to the letter.
 - One file contained a repair bill that was not paid until 92 days after receipt. (See Appendix 6 for detail)

WAC 284-30-340 requires that claim files contain all notes and work papers pertaining to the claim in such detail that pertinent events and dates of the events can be reconstructed.

- 13 claim files lacked sufficient documentation.
- 4 claim files could not be located. (See Appendix 6 for detail.)

WAC 284-30-350 requires the insurer to fully disclose to first party claimants all pertinent benefits and coverage.

- 7 claim files did not contain documentation to satisfy this requirement. (See Appendix 6 for detail.)

WAC 284-30-360(1) and (3) require the insurer to reply within ten working days to a notice of claim or other pertinent communications regarding claims.

- 12 claim files had letters from insureds, claimants, attorneys, or other insurance companies to which the company either did not respond, or did not respond within ten days. (See Appendix 6 for detail.)

WAC 284-30-370 sets standards for completing investigations within 30 days after notification of claim, unless such investigation cannot reasonably be completed within such time.

- Unwarranted delays were identified in 9 files. (See Appendix 6 for detail.)

WAC 284-30-380(1) requires the insurer to accept or deny a claim within 15 working days of receiving a properly executed proof of loss.

- Delays in excess of 15 working days were identified in 11 files. (See Appendix 6 for detail.)

WAC 284-30-390(1)(a), (b) and (c) set forth the standards for establishing the calculations used to settle total loss automobiles and defines how to establish the value of salvage.

- The examiners found a number of files that did not meet the requirements of this regulation because the license fees and/or transfer fees were not included in the settlement. Because of this the examiners required the companies to review all total losses closed since 1998 resulting in the identification of 75 violations. This resulted in additional payments to 75 insureds totaling \$8414.93. (See Appendix 6 for detail.)

-
- The examiners also found one (1) file that contained a market value of one total loss vehicle that had been established outside the local market area in violation of WAC 284-30-390 (a)(b)(i-ii) (See Appendix 6 for detail.)

Subsequent event: Claims department training on total loss procedures was held while the examiners were still on site.

WAC 308-58-020(b) set forth the requirements for the insurer to notify the Department of Motor Vehicles (DMV) of any destroyed vehicles.

- One file did not contain documentation to indicate the DMV had been notified. (See Appendix 6 for detail.)

Subsequent event: Claims department training on total loss procedures was held while the examiners were still on site.

INSTRUCTIONS

1. The companies are instructed to comply with RCW 48.30.050 to ensure that the full name of the insurer and the location of its home or principal office are disclosed on every advertisement. (Page 6)

2. The companies are instructed to comply with RCW 48.17.060 and 48.17.160 to ensure that all agents are licensed and appointed. (Page 7)
3. The companies are instructed to comply with RCW 48.05.190(1) and establish procedures that ensure policy documents and correspondence correctly identify the legal name of the insuring company. (Pages 8,9 and 13)
4. The companies are instructed to comply with RCW 48.22.085(2) to include Personal Injury Protection coverage on all policies where required unless the company has a signed rejection. (Page 9)
5. The companies are instructed to comply with RCW 48.18.100(1) and file all forms, which do not qualify as manuscript forms, prior to use in Washington. (Page 10)
6. The companies are instructed to comply with RCW 48.18.230(1) issuing binders for no longer than 90 days. (Page 11)
7. The companies are instructed to comply with WAC 284-30-570 by sending the insured notices of non-renewal of cancellation in clear simple language that requires no additional research for the insured to understand the action. (Page 12)
8. The companies are instructed to comply with RCW 46.52.130 and cease using not-at-fault accidents as a basis for non-renewal, denial, or rate increases. (Page 12)
9. The companies are instructed to comply with WAC 284-30-330(2) or (16) by responding to all correspondence as required. and process claim payments as required. (Page 13)
10. The companies are instructed to comply with WAC 284-30-340 to ensure every claim files contain all notes and work papers pertaining to the claim in such detail that pertinent events and dates of the events can be reconstructed. (Page 14)
11. The companies are instructed to comply with WAC 284-30-350 to ensure that claim handlers fully disclose to first party claimants all pertinent benefits and coverages, and ensure the claim files document these disclosures. (Page 14)
12. The companies are instructed to comply with WAC 284-30-360(1) and (3) to ensure timely responses to pertinent correspondence and notice of claim. (Page 14)
13. The companies are instructed to comply with WAC 284-30-370 to investigate all claims within 30 days unless it cannot reasonably be completed within this timeframe. (Page 14)
14. The companies are instructed to comply with WAC 284-30-380(1) by accepting or denying a claim within 15 working days of receiving a properly executed proof of loss. (Page 14)
15. The companies are instructed to comply with WAC 284-30-390(a)(b)(i-ii) and (c) when establishing the market value of total loss vehicles, including payment of all applicable taxes and license fees. (Page 14)
16. The company is instructed to comply with WAC 308-58-020(b) by notifying the Department of Motor Vehicles (DMV) about total loss vehicles as required. (Page 15)

Recommendation

1. It is recommended that the companies use the findings in this Market Conduct Examination as a base for their next internal examination.

APPENDIX I

ADVERTISING

Violation of RCW 48.30.050

Form #	Title	Violation
SP2-225	Auto Insurance Discounts	No full name or home\principal office location
Auto3463R1	Roadside Assistance	No full name or home\principal office location
SP2-685	"You hold the key to preventing vehicle theft"	No full name or home\principal office location
SP2-578 R10	Libertyguard Homeprotector Plus	No full name or home\principal office location
SP2-407 R18	Personal Property Inventory	No full name or home\principal office location
SP2-573R9	Libertyguard Deluxe Homeowners Insurance	No full name or home\principal office location
PR125	Beginning Drivers: Helping Them Make It Home	No full name or home\principal office location
SP2-683 R3	Shopping for a Saver Car	No full name or home\principal office location
SP2-575 R2	Libertyguard Condominium Insurance	No full name or home\principal office location
SP2-688	Need an Airbag On/Off Switch? Probably Not	No full name or home\principal office location

SP2-687	About Your Airbags	No full name or home\principal office location
SP2-682 R8	Injury, Collision & Theft Losses	No full name or home\principal office location
SP2-690	Flood Insurance	No full name or home\principal office location
PR-121-R3	Escape Fire safety tips	No full name or home\principal office location
SP2-502 R24	Valuable Possessions Coverage	No full name or home\principal office location
PR 139	Liberty Mutual Personal Safety Profile Series	No full name or home\principal office location
PR 137 R2	Avoiding Collisions	No full name or home\principal office location

APPENDIX II

AGENT LICENSING

Violations of RCW 48.17.060(1) and RCW 48.17.160(1)

Commercial Sales Representatives

Agent code Policy number

7268	AS2-131-439522-168
8957	YY2-63G-966300-018
8875	YY2-63G-966300-019
8875	TH1-631-966305-028
8875	TH1-631-966145-028
4741	AS2-581-960008-028

Personal lines Sales Representatives

Agent Code Policy Number

0711	AO2-261-856806-01
0711	AO2-261-856812-01
0711	AO2-261-856805-01
0711	AO2-268-856801-01

APPENDIX III

Violations of RCW 48.05.190

COMPLAINTS

Policy number Comment

26AO2-261-803266-017	31 3 letters did not identify the insuring company.
26AO2-268-667271-01	1 1 1 letter did not identify the insuring company.
26FN2 –261-105740-00	2 1 2 letters did not identify the insuring company.
26AO2-261-826957-017	1 1 2 letters did not identify the insuring company.
26AO2-268-724515-016	2 1 1 letter did not identify the insuring company.
26AO-261-762547-01	1 2 letters did not identify the insuring company.

COMMERCIAL LINES CLAIMS

Policy number Comment

AB 604-019673-99	1 letter did not identify the insuring company
AB 604-021971-99	1 letter did not identify the insuring company
P 604-024033-01	1 letter did not identify the insuring company
P 604-024033-01	1 letter did not identify the insuring company
X 604-012510-00	1 letter did not identify the insuring company
AB 604-020563-98	1 letter did not identify the insuring company
AB 604-022404-01	1 letter did not identify the insuring company
P 604-022212-01	1 claim release & 1 letter did not identify the insuring company
X 550-021692-00	1 letter did not identify the insuring company
P 604-023124-01	1 letter did not identify the insuring company
AB 604-017862-98	1 letter did not identify the insuring company
PX 507-010250-	2 letters did not identify the insuring company
AB 604-020576-01	4 letters did not identify the insuring company
P465-078379-01	1 claim release & 2 letters did not identify the insuring company

PERSONAL LINES CLAIMS

Claim number

Comment

AL 684-025607-98	1 letter did not identify the insuring company
AL 684-027398-99	1 letter did not identify the insuring company
X 684-006079-00	1 letter did not identify the insuring company

X 684-006301-00	1 letter did not identify the insuring company
AL 684-023215-99	1 letter did not identify the insuring company
AL 684-030172-98	1 settlement check did not identify the insuring company
X 684-006072-00	1 letter did not identify the insuring company
AL 684-035267-99	1 settlement check did not identify the insuring company

PERSONAL LINES UNDERWRITING

Policy number Comment

A AO2-261-776344-17-4	1 1 1 letter did not identify the insuring company
-----------------------	--

Declarations Page of yacht policy did not identify the name of the insurer

Policy number

268-273241	268-812303	268-826712	268-931280
268-826712	268-392616	268-826975	268-358058
268-392826	268-413272	268-875161	268-894828
261-343467	261-222150	261-060887	261-348628
261-833898	261-846876	261-379304	261-222103
261-189931	261-358268	261-503516	261-894091
261-187023	261-903000	261-903979	261-338473
261-290162	261-902800	261-904230	261-842065
261-842075	261-334703	261-895300	261-828619
261-838531	261-334718	261-392916	261-826655
261-818327	261-408663	261-870311	261-764107
261-348701	261-222650	261-362916	261-393261
261-185898	261-878235	261-818155	261-363566
261-812068	261-878255	261-317389	261-379479

261-329568

261-338057

261-077298

261-895234

261-290802

261-231259

261-826648

APPENDIX IV

Violations of RCW 48.18.100(1)

Form Name: Notice of Cancellation

Policy number

Effective date

RG261107513303	01/01/98
RG261107513342	01/01/98
RG261107513303	01/01/99
RG1107513342	01/01/99
RG162100485503	01/01/98
RH162100427548	01/01/98
RG262100427544	07/01/99
RG162100485503	01/01/99
RH162100427548	01/01/99
YY263G96614501	06/27/98
YY263G96614501	01/01/99
YY263G96622501	06/07/98
YY263G96622501	01/01/99
YY263G96630001	05/09/98

YY263G96630001	01/01/98
YY263G96630501	06/19/98
YY263G96630501	01/01/99
YY263G96631601	10/27/98
YY263G96633901	03/19/99
YY263G96634701	05/01/99
RG266100413102	09/03/98
RG266100413106	07/06/99
RG266100413102	09/03/99
RG266100413302	10/01/98
RG266100413302	10/01/99

Form Name: Medical Payments

Policy number Effective Date

RG162100485503	01/01/98
RH162100427548	01/01/98
RG262100427544	07/01/99
RG162100485503	01/01/99
RH162100427548	01/01/99
YY263G96614501	06/27/98
YY263G96614501	01/01/99

YY263G96622501	06/07/98
YY263G96622501	01/01/99
YY263G96630001	05/09/98
YY263G96630001	01/01/98
YY263G96630501	06/19/98
YY263G96630501	01/01/99
YY263G96631601	10/27/98
YY263G96633901	03/19/99
YY263G96634701	05/01/99

Form name: Designated Locations General Aggregate Limit

Policy Number

Effective Date

YY263G96614501	06/27/98
YY263G96614501	01/01/99
YY263G96622501	06/07/98
YY263G96622501	01/01/99
YY263G96630001	05/09/98
YY263G96630001	01/01/98
YY263G96630501	06/19/98
YY263G96630501	01/01/99
YY263G96631601	10/27/98
RG266100413102	09/03/98

RG266100413106	07/06/99
RG266100413102	09/03/99
RG266100413302	10/01/98
RG266100413302	10/01/99

Form name: Amendatory Endorsement #102

Policy number Effective Date

EW7-66N-004131-048	09/03/98
EW7-66N-004133-048	10/01/98

Form name: Notice of Occurrence #2610A

Policy number

AS2-661-004133-038	No edition date
--------------------	-----------------

Form name: Notice of Cancellation #2610A

Policy number

AS2-661-004133-038	No edition date
--------------------	-----------------

Form name: Amendatory Endorsement #2610A

Policy number

AS2-661-004133-038	No edition date
--------------------	-----------------

Form name: Fellow Employee Exclusion #2610A

Policy number

AS2-661-004133-038	No edition date
--------------------	-----------------

Form name: Unintentional Errors Or Omission #2610A

Policy number

AS2-661-004133-038	No edition date
--------------------	-----------------

APPENDIX V

Violation of RCW 48.18.230(1)

AS1-B71-0710481-029 Binder was issued for a one-year period.

Violations of RCW 48.22.085(2)

AO2-268-910798-018-8

AO226-184179-018-0

AS2-661-004133-038

Violations of WAC 284-30-570

Policy number	Comment
H32 261 289955 00	Non renewal notice listed "miscellaneous losses" as a reason for non-renewal.
MF2 261 31 72392 007	Cancellation notice indicated "No primary line" as a reason for cancellation.

Violations of RCW 46.52.130

AO2-261-626281-017-0

AO2-261-667554-017-0

AO2 261-626849-081-4

AO2-261-667011-017-1

AO7-261-62825-017-9

APPENDIX VI

CLAIMS

-

Violations of WAC 284-30-330(2) (3) or (16)

Claim number Comments

AB604-020876-98	Repair bill sent received on 8/14/98, not paid until file review 11/17/98
P465-159167-01	No response to letter from claimant's husband presenting a claim on her behalf. The letter requested a response by 8/15/98.

Violations of WAC 284-30-340

Claim number Comments

X684-006275-00	Insufficient documentation in file
AL684-031307-98	Insufficient documentation in file
AL684-025407-02	Insufficient documentation in file
AL684-029523-98	Insufficient documentation in file
AL684-016979-02	Insufficient documentation in file
AL684-019311-03	Insufficient documentation in file

AL684-033009-98	Insufficient documentation in file
AB604-021058-01	Insufficient documentation in file
AB604-021140-01	Insufficient documentation in file
AB604-020876-98	Insufficient documentation in file
AB604-021814-99	Insufficient documentation in file
X550-021692-00	Insufficient documentation in file
AB604-020576-01	Insufficient documentation in file
X684-006065-00	Insufficient documentation in file
P268-020273-01	Insufficient documentation in file
684-000428	File could not be located for examination
684-004446	File could not be located for examination
683-022435-02	File could not be located for examination

Violations of WAC 284-30-350(1)

Claim number Comments

AL684-029523-98	Company did not fully disclose all pertinent benefits, coverages or other provisions of the insurance policy.
AL684-031307-98	Company did not fully disclose all pertinent benefits, coverages or other provisions of the insurance policy.
AB604-020385-01	No documentation on the file to indicate insurer disclosed pertinent first party coverage or benefits
X684-005269-00	No documentation on the file to indicate insurer disclosed pertinent first party coverage or benefits.
69-005958-00	No documentation on the file to indicate insurer disclosed pertinent first party coverage or benefits.
X684-005878-00	No documentation on the file to indicate insurer disclosed pertinent first party coverage or benefits.

Violations of WAC 284-30-360

Claim number Comments

AL684-025599-01	Did not respond within 10 working days to communications that reasonably suggest that a response is expected.
AL684-011710-04	Did not respond within 10 working days to communications that reasonably suggest that a response is expected
AL684-026893-02	Did not respond within 10 working days to communications that reasonably suggest that a response is expected
AL684-026881-01	Did not respond within 10 working days to communications that reasonably suggest that a response is expected
AL684-027507-03	Did not respond within 10 working days to communications that reasonably suggest that a response is expected
AL684-029460-98	Did not respond within 10 working days to communications that reasonably suggest that a response is expected
AB604-020876-98	Did not respond within 10 working days to communications that reasonably suggest that a response is expected

AB604-021342-99	Did not respond within 10 working days to communications that reasonably suggest that a response is expected
AB604-020183-99	Did not respond within 10 working days to communications that reasonably suggest that a response is expected
AB604-020239-02	Did not respond within 10 working days to communications that reasonably suggest that a response is expected
AB604-020038-98	Did not respond within 10 working days to communications that reasonably suggest that a response is expected
AB604-020576-01	Did not respond within 10 working days to communications that reasonably suggest that a response is expected

Violations of WAC 284-30-370

Claim number Comments

AB604-021201-01	Investigation delayed. 10/13/98 – 11/10/98 to determine there is no coverage
AB604-021336-98	Investigation delayed. Glass bill for repair received 9/30/98, first note on claim record 10/27, coverage not confirmed and bill paid 11/16
X604-012517-00	Investigation delayed. Proof of loss received 6/22/98 coverage not received until 7/29, coverage determination made 8/5/98
P268-020273-01	Investigation delayed. Loss reported 8/24/98, log notes of 9/24/98 show an action plan. 12/1/98 files closed without investigation.
AB 604-019140-02	Investigation delayed. Loss reported 12/3/97, Liability denied 1/30/98 prior to completing the investigation 4/16/98 witness contacted
AB 604020576-01	Investigation delayed – Loss reported by claimant 7/6/98, memo sent to the insured 7/15/98, claim closed without further activity 8/31/98. Claimant sent 2 other letters prior to receiving

	a denial 12/4/98
P465-156854-01	Investigation delayed field representative took almost 6 weeks (7/28-9/5) to complete field investigation. Loss reported in May, not assigned to field rep until late July
X684-005269-00	Investigation delayed – loss reported and insured gave statement 1/8/98 proof of loss received 1/26/98. Police report not ordered until 2/5. Recommendation to pay 3/5/98, claim paid 4/10/98
X684-005958-00	Investigation delayed. Proof of claim received 6/2, log notes 6/29 indicates claim should be accepted. Paid 7/22
X684-005878-00	Investigation delayed. Loss reported 5/1/98, independent appraiser had seen loss by 5/19/98 by 6/26/98 the insured still had not been contacted by the claim handler regarding settlement of the claim.

Violations of WAC 284-30-380

Claim number Comment

X684-005269-00	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received.
684-006030-00	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received.
69-005958-00	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received.
X684-006263-00	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received.
X631-021599-00	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received.
AL684-025503-98	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received.

AB604-020876-98	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received.
AB604-012517-00	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received
AB604-021342-99	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received
AB604-021336-98	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received
AB604-021342-99	First party claimant not advised of acceptance or denial of claim within 15 working days after proof was received

Violations of WAC 284-30-390(1)(b) and (c)

Claim number Comment

AL684-029723-98	License & transfer fees not included in total loss settlement \$75.34
AL684-032564-98	License & transfer fees not included in total loss settlement \$116.27
AL684-036601-98	License & transfer fees not included in total loss settlement \$25.32
AL684-024332-98	License & transfer fees not included in total loss settlement \$273.24
AL684-024831-98	License & transfer fees not included in total loss settlement \$38.45
AL684-027718-98	License & transfer fees not included in total loss settlement \$85.35
AL684-026741-98	License & transfer fees not included in total loss settlement \$132.88

AL684-026630-98	License & transfer fees not included in total loss settlement \$69.93
AL684-025692-98	License & transfer fees not included in total loss settlement \$48.16
AL684-024988-01	License & transfer fees not included in total loss settlement \$108.00
AL684-024456-99	License & transfer fees not included in total loss settlement \$54.44
AL684-033172-98	License & transfer fees not included in total loss settlement \$148.80
AL684-023215-99	License & transfer fees not included in total loss settlement \$52.50
AL684-029723-98	License & transfer fees not included in total loss settlement \$75.34
AL684-025647-99	License & transfer fees not included in total loss settlement \$101.94
AL684-028150-99	License & transfer fees not included in total loss settlement \$53.40
AL684-028663-99	License & transfer fees not included in total loss settlement \$28.60
AL684-033385-99	License & transfer fees not included in total loss settlement \$189.35
AL684-032837-99	License & transfer fees not included in total loss settlement \$18.50
AL684-027026-98	License & transfer fees not included in total loss settlement \$23.85
AL684-024004-99	License & transfer fees not included in total loss settlement \$56.60

AL684-025256-99	License & transfer fees not included in total loss settlement \$89.24
AL684-027101-99	License & transfer fees not included in total loss settlement \$35.10
AL684-026072-99	License & transfer fees not included in total loss settlement \$221.49
AL684-030149-99	License & transfer fees not included in total loss settlement \$80.46
AL684-028180-99	License & transfer fees not included in total loss settlement \$54.64
AL684-028399-99	License & transfer fees not included in total loss settlement \$172.35
AL684-029052-02	License & transfer fees not included in total loss settlement \$73.28
AL684-028009-03	License & transfer fees not included in total loss settlement \$72.50
AL684-028334-99	License & transfer fees not included in total loss settlement \$205.16
AL684-027635-99	License & transfer fees not included in total loss settlement \$24.08
AL684-028779-99	License & transfer fees not included in total loss settlement \$191.72
AL684-031806-98	License & transfer fees not included in total loss settlement \$308.38
AL684-026933-99	License & transfer fees not included in total loss settlement \$0.00
AL684-029448-99	License & transfer fees not included in total loss settlement \$40.21

AL684-029544-99	License & transfer fees not included in total loss settlement \$149.66
AL684-030627-99	License fees not included in total loss settlement \$144.35
AL684-031637-99	License fees not included in total loss settlement \$311.54
AL684-032057-99	License fees not included in total loss settlement \$27.25
AL684-031913-98	License fees not included in total loss settlement \$304.70
AL684-030207-99	License fees not included in total loss settlement \$100.44
AL684-029709-99	License fees not included in total loss settlement \$158.44
AL684-029038-98	License fees not included in total loss settlement \$127.12
AL684-027280-99	License fees not included in total loss settlement \$205.00
AL684-033190-99	License fees not included in total loss settlement \$158.85
AL684-032569-99	License fees not included in total loss settlement \$166.05
AL684-028369-98	License fees not included in total loss settlement \$19.08
AL684-029557-99	License fees not included in total loss settlement \$228.00
AL684-030583-	License fees not included in total loss settlement \$294.75

99	
AL684-029724-99	License fees not included in total loss settlement \$10.70
AL684-027188-99	License fees not included in total loss settlement \$0.00
AL684-032174-98	License fees not included in total loss settlement \$46.10
AL684-031809-99	License fees not included in total loss settlement \$ 48.84
AL684-030120-99	License fees not included in total loss settlement \$120.20
AL684-029931-99	License fees not included in total loss settlement \$94.56
AL684-028057-98	License fees not included in total loss settlement \$183.26
AL684-028542-98	License fees not included in total loss settlement \$143.93
AL684-030477-99	License fees not included in total loss settlement \$125.00
AL684-030952-99	License fees not included in total loss settlement \$107.49
AL684-031076-99	License fees not included in total loss settlement \$223.60
AL684-027434-98	License fees not included in total loss settlement \$0.00
AL684-030810-99	License fees not included in total loss settlement \$0.00

AL684-032755-99	License fees not included in total loss settlement \$127.83
AL684-030351-99	License fees not included in total loss settlement \$226.10
AL684-024789-98	License fees not included in total loss settlement \$0.00
AL684-029639-99	License fees not included in total loss settlement \$33.30
AL684-026425-99	Transfer fees not included in total loss settlement \$5.00
AL684-029161-99	Transfer fees not included in total loss settlement \$5.00
AL684-028804-99	Transfer fees not included in total loss settlement \$5.00
AL684-026697-99	Transfer fees not included in total loss settlement \$5.00
AL684-027002-99	Transfer fees not included in total loss settlement \$5.00
AL684-025824-99	Transfer fees not included in total loss settlement \$5.00
AB604-020485-99	Sales tax not included in total loss settlement \$301.00
AB604-019205-98	Sales tax not included in total loss settlement \$705.68
AB604-020485-99	Did not use local area to establish actual cash value

Violation of WAC 308-58-020(b)

Claim number Comment

A L684-027101-99	No documentation on file to indicate DMV had been notified
------------------	--

APPENDIX VII

Errors with recovery for consumer. No violations

AL684-026175-98	Costs of labor left out of original settlement. \$605.00
X684-005728-00	Adjuster paid loss based on a jewelry appraisal done more than 5 years prior to the claim. \$94.00
AL684-003004-01	Subrogation money had been collected, deductible hadn't been refunded to insured. \$100.00
AL684-028150-99	Subrogation money had been collected, deductible hadn't been refunded to insured. \$200.00
AB604-021397-99	Actual cash value of vehicle was incorrectly calculated. \$2972.75
AL684-024456-99	Clerical error in payments to insured. \$300.00
X684-005608-00	Sales tax was not included in property loss. \$23.60
X84-005615-00	Sales tax was not included in property loss. \$59.34
X684-005923-00	Sales tax was not included in property loss. \$36.25
X684-005564-00	Sales tax was not included in property loss. \$176.79
X684-006275-00	Sales tax was not included in property loss. \$50.72